

UNITED STATES OF AMERICA
POSTAL REGULATORY COMMISSION
WASHINGTON, DC 20268-0001

Competitive Product Prices
Global Plus 1C Contracts (MC2012-6)
Negotiated Service Agreements

Docket No. CP2013-43

PUBLIC REPRESENTATIVE COMMENTS ON NOTICE OF UNITED STATE POSTAL
SERVICE OF FILING MODIFICATION TO GLOBAL PLUS 1C
NEGOTIATED SERVICE AGREEMENT

(August 16, 2013)

The Public Representative hereby provides comments pursuant to Order No. 1804.¹ In that Order, the Commission established the above-referenced docket to receive comments from interested persons, including the undersigned Public Representative, on a Postal Service Notice of a modification to its Global Plus 1C Negotiated Service Agreement (Notice).² Global Plus 1C Negotiated Service Agreements include prices not of general applicability between the Postal Service and Postal Qualified Wholesalers (PQWs) and other large businesses that offer mailing services to end users for shipping articles via International Priority Airmail, International Surface Air Lift, Global Express Guaranteed, Express Mail International, Priority Mail International, and/or Commercial ePacket Service. Prices offered under the contracts may differ depending on the volume or postage commitments made by the customers.

¹ PRC Notice and Order Concerning Modification to Global Plus 1C Negotiated Service Agreement, August 9, 2013.

² Notice of the United States Postal Service of Filing Modification to Global Plus 1C Negotiated Service Agreement, August 8, 2013. (Notice).

Prices also may differ depending upon when the agreement is signed, because of the incorporation of updated costing information.³

The Postal Service seeks to amend in Annex 3 of this Global Plus 1C Negotiated Service Agreement to include rate changes for its Commercial ePacket service. The Postal Service also seeks to add one paragraph to Article 6, Obligations of USPS, with regard to Commercial e-Packet Notices. Notice at 1. The change to Article 6 asserts that the United States Postal Service will periodically provide the mailer with a list of countries to which Commercial e-Packet service is available.

The Postal Service filed with its Notice a redacted copy of the modification, a redacted version of the certified statement required by 39 CFR 3015(c)(2) for the modification, a redacted version of Governors' Decision No. 11-6, and a redacted version of supporting financial documents. The United States Postal Service also filed non-public versions of the modification and supporting documents under seal.

COMMENTS

PRC Order No. 1804 seeks comments on whether the modification to this Global Plus 1C Negotiated Service Agreement is consistent with 39 U.S.C. § 3632, § 3622, § 3642, 39 CFR 3015.5, and 39 CFR part 3020, subpart B.

The Public Representative reviewed all documentation that the United States Postal Service filed publicly and under seal, including the financial documentation for the modification of the Commercial ePacket service, for compliance with 39 U.S.C 3633.

³ Notice of U.S. Postal Service of Filing a Functionally Equivalent Global Plus 1C Negotiated Service Agreement and Application for Non-Public Treatment for Materials Filed Under Seal (Notice), January 14, 2013.

The three relevant criteria of 39 U.S.C. § 3633 are that competitive products are not cross-subsidized by market dominant products; cover their attributable costs; and contribute to the Postal Service's institutional costs. The Public Representative finds that the modification to the Global Plus 1C Negotiated Service Agreement is consistent with 39 CFR § 3633. In addition, the modification to the Global Plus 1C Negotiated Service Agreement is consistent with 39 U.S.C. § 3632 and 39 U.S.C. § 3642, as well as with 39 CFR 3015.5 and 39 CFR part 3020, subpart B.

As an additional note, in Docket No. CP2013-43 established for the Postal Service's filing of this Global Plus 1C Negotiated Service Agreement, the Public Representative expressed concern that the Postal Service used financial data from FY2011 in its calculations for this Global Plus 1C Negotiated Service Agreement when FY2012 financial data was available.⁴ The Public Representative welcomed the opportunity to review financial documentation for this Global Plus 1C Negotiated Service Agreement that incorporates financial data from FY2012.

⁴ Public Representative Comments on Postal Service Notice of Filing a Functionally Equivalent Global Plus 1C Negotiated Service Agreement and Application for Non-Public Treatment of Materials Filed Under Seal at 5, January 24, 2013.

The Public Representative provides these comments for the Commission's consideration.

Respectfully submitted,

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